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Office of Legislative Liaison
Routing Slip

TO:	ACTION	INFO
1. D/OLL		X
3. DD/OLL		X
3. Admin Officer		
4. Liaison		X
5. Legislation		X
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EXECUTIVE SECRETARIAT
ROUTING SLIP

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1	DCI				
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9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/Pers				
14	D/OLL		X		
15	D/PAO				
16	SA/IA				
17	AO/DCI				
18	C/IPD/OIS				
19	NIO				
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SUSPENSE		Date			

Remarks

3637 (10-81)

Executive Secretary
19 Mar 85

Date

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Executive Registry
85-1106

STATEMENT OF
THE HONORABLE ALAN GREEN, JR.
CHAIRMAN
FEDERAL MARITIME COMMISSION
BEFORE THE
COMMITTEE ON MERCHANT MARINE AND FISHERIES
SUBCOMMITTEE ON MERCHANT MARINE
U.S. HOUSE OF REPRESENTATIVES

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FEBRUARY 28, 1985

Mr. Chairman and Members of the Subcommittee. I am pleased to appear before you today to present for your review and consideration the Fiscal Year 1986 budget estimates for the Federal Maritime Commission.

With me today are Mr. Rusty Johnston, my personal Counsel, Mr. Robert D. Bourgoïn, the General Counsel, and Mr. Frederick F. Trutkoff, Director of the Office of Budget and Financial Management.

Our fiscal year 1986 budget estimate in the amount of \$11,606,000 provides funding for 212 total workyears of employment. This estimate is a reduction of \$686,000 and 27 workyears below the \$12,292,000 and 239 workyears budgeted for 1985. This reduction is comprised of \$586,000 for personal services and \$100,000 for administrative expenses.

Mr. Chairman, while this is a significant reduction from our current authorized levels, our actual personnel levels are approximately 225. I make mention of this for several reasons. First we are making significant progress toward obtaining this goal not by waiting until FY 86 to achieve it but by starting now in this fiscal year. Thus with the proper planning, this 212



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workyear allocation is obtainable without RIF's which, as you know, are not only demoralizing and disruptive but initially very costly. Second, by making these reductions now we were able to absorb \$290,000 for pay increases which went into effect last month. Accordingly we have advised OMB that a supplemental appropriation will not be necessary.

Third, I have found in light of the passage by the Congress of the Shipping Act of 1984 and the decreased federal role which it portends that the Commission personnel strength of 212 people is, in my opinion, the correct personnel level.

I would like to comment on a few specifics in the budget. First you will note that I have proposed reduced personnel levels in FY 86 in the Bureau of Tariffs. These reductions are due to several factors, one the fact that domestic tariff filings have dropped off significantly resulting in a 6 manyear reduction. Secondly, I anticipate that further savings will accrue once service contracts are automated, a project currently underway. Also, I project a two workyear reduction if the legislative proposal to transfer passenger vessel certification program is successful. I look forward to working with you to accomplish the orderly transfer of this function to DOT.

You will note that I am requesting funding for the tariff automation project in the amount of \$180,000. Now that much of the work associated with the initial implementation of the new Act has been completed, the Commission is moving forward with its tariff automation project which envisions a paperless electronic system for the filing, storage and retrieval of tariff

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information. In October, 1984, I announced that a Task Force had been formed, headed by Vice Chairman Carey, to explore the feasibility of an Automated Tariff Filing and Information System (ATFI) to replace the FMC's present manual system. This Task Force will review the possibility of developing a pilot automated tariff filing system.

At the present time, detailed tariff automation questionnaires have been sent to various members of the shipping community to elicit information regarding the need for tariff automation and type of information needed from any future system. Tariffs which are currently in hard copy format are difficult and expensive to manipulate, and fall far short of their potential of furthering competition and contributing to international commerce. This system would be developed to service the needs of the Commission as well as satisfy the information needs of public tariff users in the conduct of America's foreign ocean commerce.

Extensive coordination of the project will be accomplished through surveys, advisory committees, public hearings, and the pilot project for which the funding is requested. While the success of our efforts are by no means certain, my ultimate goal is to have all tariffs filed outside this agency at a private sector location and to operate at no cost to the government. A key ingredient in the success of this effort will be to plan for a private sector operation which provides accurate and clear information at a reasonable fee.

Two other points are worth mentioning. We will complete the procurement of word processing and personal computer equipment

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during this fiscal year, which results in approximately \$300,000 savings in the FY 86 budget. I mention this because we are able to satisfy all of our computer requirements using personal computers as opposed to a large mainframe computer which the Commission had previously leased. The annual cost including personnel of the mainframe computer, the lease of which was terminated in FY 83, exceeded the total one time cost of our personal computer procurement.

I am not going to sit here and suggest that we have solved all the problems, either Shipping Act, trade related, or managerial, but we are making progress. Sure, regulatory implementation of the Shipping Act in the 6 months Congress allotted to us put a strain on the Commission, but I think by and large the industry, both carriers and shippers, are pleased. The five year study which the legislation mandates is proving to be internally very time consuming. While I am now convinced the study is necessary, we are looking for ways to keep the costs down and wherever possible limit data requests to the maritime industry to the minimum possible.

From a program standpoint, I am planning initiatives in a number of areas. Shortly, the Commission will be publishing a proposed rule which will either exempt from filing or Commission review a broad sector of port and marine terminal agreements. This rulemaking which arose out of Commissioner Setrakian's port inquiry will eliminate to a large extent the regulatory burdens placed on this sector of the maritime industry. The Commission will likely issue rulemakings in the near future which will

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eliminate some of the uncertainty which may currently exist in the area of service contracts and NVOCC co-loading arrangements.

In summary, let me once again indicate that the budget I present to you today for your consideration is not only realistic and adequate to do the job, but reflects a real effort on my part to hold the spending line in every area possible within the FMC.

Thank you.

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, DC 20515

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OFFICIAL BUSINESS

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D.C.

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